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MANPOWER EFFECTIVENESS OF THE ALL-VOLUNTEER FORCE. (U)

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BY THE COMPTROLLER GENERAL

② Report To The Congress
OF THE UNITED STATES

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④ Manpower Effectiveness Of
The All-Volunteer Force

Since adoption of the Total Force policy and the All-Volunteer Force, fundamental changes in manpower mobilization plans and capabilities have occurred. This report discusses various manpower problems which hamper the Nation's mobilization capabilities in the event of a national emergency. As a result, GAO recommends a reevaluation of the All-Volunteer Force and the Total Force Policy and suggests options to be considered in staffing the military.

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

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B-197936

To the President of the Senate and the
Speaker of the House of Representatives

On April 14, 1980, we issued a classified report based on a series of prior GAO military manpower reports. (See app. I.) The classified report, "Overview of the Manpower Effectiveness of the All-Volunteer Force" (C-FPCD-80-3), 1/ analyzed the All-Volunteer Force's (AVF's) ability to mobilize its military forces in the event of war or national emergency. The report highlighted the following problems:

- A lack of force readiness.
- Shortages of people against wartime requirements and peacetime authorizations.
- A large number of unqualified or untrained people.
- High turnover rates.
- Inadequate mobilization plans and procedures.
- An ineffective standby draft system.

We concluded that the failure to correct these problems could severely hamper full mobilization of the military forces and limit their ability to do wartime missions.

Since the classified report was completed, many changes have taken place within the AVF. This report assesses whether the problems and recommendations cited in the classified report are still valid and updates other unclassified information.

During this review, we found that the current manning levels of the total system have increased but not significantly since our prior report. The level has increased by only 7,000 people since fiscal year 1978, and therefore our prior analysis of

1/Copies of our classified reports are available upon request; however, the requestor must provide security clearance information and justify a need to know.

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shortages remains valid. We also found that (1) planning data for the intended use of pretrained individuals had improved somewhat, but much more needed to be done before mobilization and (2) the mobilization capabilities of the Army's training base had not improved but needed actions had been identified.

BACKGROUND

In 1973 the United States returned to the AVF as the method for staffing its military forces. Concurrent with the AVF concept, fundamental changes in manpower mobilization plans and capabilities occurred. No longer able to sustain the Active Forces at their pre-Vietnam War levels and with no reductions in worldwide military commitments, the services shifted a major share of the mobilization responsibilities to the National Guard and Reserve Forces. Now, in the event of a mobilization, Guard and Reserve personnel are to meet more than half of the manpower requirements. For example, in the case of the Army--the service with the most pressing need for Guard and Reserve personnel--the Guard and Reserve would provide during full mobilization 52 percent of the infantry and armor battalions, 57 percent of the field artillery battalions, 65 percent of the combat engineer battalions, and 67 percent of the tactical support units.

Extending major mobilization responsibilities to the Guard and Reserves is part of Defense's Total Force policy. The implications of this policy extend not only to Guard and Reserve units, but to individual reservists as well. For example, in the event of war or national emergency, pretrained individual personnel 1/ would have to offset the shortage of people in units and replace casualties.

Since the adoption of the Total Force policy, the ability of the Guard, Reserve, and Active Forces to meet their mobilization commitments has been in doubt. Recent testimony has highlighted manpower manning deficits, quality difficulties, and other manpower problems. (See app. VII.)

OBJECTIVES, SCOPE, AND METHODOLOGY

Our main objectives were to (1) determine if actions had been taken to improve previously reported situations, (2) obtain updated information on issues which could be incorporated in an unclassified report, and (3) make our analysis available so as to add to the public debate on this subject. We worked at the Office of the

1/As defined by Defense, pretrained individual personnel include the Individual Ready Reservists, Standby Reservists, Retirees, Individual Mobilization Augmentees, and Inactive National Guard.

Secretary of Defense (OSD), and all service headquarters, and at the Selective Service System Headquarters in Washington, D.C.

We compared the current manning levels of personnel in the services with the manning levels shown in our previous classified report referred to on page 1. We examined the basis for both the expected reporting "yields" (rates or goals) from the various sources of manpower pools (such as the Individual Ready Reservists). We obtained data from and interviewed officials of OSD and the Departments of the Army, Air Force, and Navy, including the Marine Corps. We obtained information on the preliminary efforts which have been taken to correct the manpower problems found earlier.

This report does not include information concerning wartime manpower requirements, qualifications of people, readiness of units, or manpower shortages in wartime scenarios because the Department of Defense advised us that such data is classified. Our current findings are detailed below.

FINDINGS

Since our classified report was issued in 1980, the executive branch has taken some actions to improve the manpower mobilization system, including a new system for computing manpower requirements--the Wartime Manpower Program System. (See app. VI.) But, a shortage of people could severely hamper units' ability to perform their wartime mission.

In addition, there are still many unknowns on the use of (1) pretrained individuals before and after mobilization and (2) the number of reservists who would fail to report or report late if recalled. OSD has directed the services to use an expected "yield" goal of 90 percent for the Individual Ready Reservists ^{1/} for planning purposes; however, the basis for their goal has not been systematically established. Furthermore the Army informed us that it is still using previously established OSD yield rates for the other pretrained individual pools for planning purposes whose basis also had not been systematically established.

Also, it appears that the Army would have to degrade the quality of training after mobilization because of a shortage of training companies, trainers, training equipment, and training supplies.

Appendices II through VII address (1) manning levels, (2) the use of pretrained individuals, (3) the capacity to handle mobilization influx at the Armed Forces Examining and Entrance Stations

^{1/}The percent of people in each manpower pool expected to show up if recalled for mobilization.

and Army training bases, (4) standby draft capabilities, (5) the Wartime Manpower Program System, and (6) examples of recent testimony.

CONCLUSIONS

We previously concluded in our classified report, referred to on page 1, that the Total Force has several barriers which affect its ability to change to a wartime structure in time of rapid, full mobilization and that the Total Force's manning problems are such that the military, especially the Army, would have a difficult if not impossible task of meeting full mobilization requirements. We further stated that the Nation, the Congress, our military forces, and the American public have several alternatives that must be thoroughly considered:

- Expand the Active Forces and staff active duty units at a wartime level with volunteers, while doing away with or greatly reducing the Guard and Reserves.
- Return to the draft for the Active Forces, thereby filling shortages in the active duty units and provide the services with the number and types of people needed for a full mobilization. This action may also have a positive effect on filling shortages in the Guard, Reserves, and the Individual Ready Reserves.
- Reduce U.S. military commitments abroad.
- Draft for the Guard and Reserve Forces and/or the Individual Ready Reserves.
- Require all eligible youths to perform some type of national service with priority given toward a military commitment.
- Reevaluate the AVF concept considering the management improvements that have been made, additional improvements that are needed, and the costs of such improvements.

On the basis of our previous audit, our followup work, and recent reports and statements by the Office of the Secretary of Defense and service officials about such things as unit readiness and personnel shortages, we believe these conclusions are still valid.

PRIOR RECOMMENDATION

We believe that our recommendations in the 1980 classified report remain valid. In that report, we recommended that the Secretary of Defense, the Congress, and the President reexamine the Nation's Total Force policy and the staffing of the force with all volunteers. We also recommended that they decide

whether the Nation's military commitments should be lessened. Once they decide this, they should reevaluate the roles of the Active, Guard, Reserve, and/or pretrained individuals to meet the Total Force commitments and determine the costs of implementing the recommendations.

In commenting on our previously issued classified report the Department of Defense said that these suggested alternatives and others had been evaluated and were basically discounted. The Department said there was no need to return to an active duty draft at this time, and the selected reserve and Individual Ready Reserve (IRR) draft, as well as National Service programs, were too costly for their potential gains.

Considering that the AVF has had significant manning difficulties and its cost may be as great as other possible alternatives for the achievable benefits, we do not agree with Defense that the other options should be discounted. We are not advocating any alternative in this report but are suggesting a thorough evaluation of the alternatives. For comparative purposes the analysis of the alternatives should be done consistently and the methodologies employed should be thoroughly explained. This will allow the Nation, the Congress, and the general public the opportunity to determine which of the alternatives the Nation could afford in line with National defense needs.

RECOMMENDATION TO THE
SECRETARY OF DEFENSE

We are currently recommending that the Secretary of Defense (1)-define data used in the Wartime Manpower Program System and thoroughly explain the system's limitations when reporting to the Congress and (2) limit Defense's estimates of usable numbers of pretrained individuals to those that have been located.

AGENCY COMMENTS AND OUR EVALUATION

On May 27, 1981, we met with OSD and service representatives to obtain DOD's comments. In our meeting, they took issue with the use of the term "yield rates" for pretrained individuals. They informed us that yield rates were no longer used by Defense and that yield goals for the Individual Ready Reserve have been established and that to achieve that goal, estimates will be based upon the people being locatable. They said that one could not predict personal reactions to a callup and therefore Defense was unable to scientifically determine yield rates. They said that preassignment in itself would be no guarantee of individuals showing up when called. Defense believes having up-to-date information on individuals' locations is a better guarantee.

Regarding the alternatives to the AVF, Defense officials believed the report should also recommend a reevaluation of the

AVF itself. They believed that the management improvements which have been made and those which they are striving to make are worthy of reevaluation. We agree with DOD officials and had included such a recommendation in our previously issued classified report.

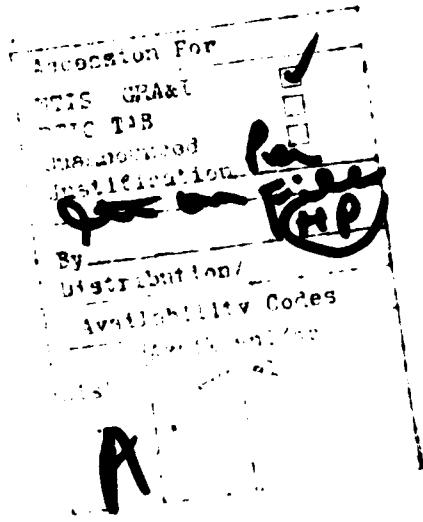
We agree with OSD that yield rates should not be used for determining estimates of usable pretrained individuals. This was the point we made in the draft report. Although we originally believed it was better to base estimates of usable pretrained individuals on those that had been preassigned, we agree with OSD and the services that it was even a better practice to base estimates on those that are locatable and have revised our recommendation accordingly.

Regarding the Wartime Manpower Program System, Defense said that policy has been established to insure that the data reported to the Congress is defined to prevent misinterpretation. Defense agreed that there was a definite need for this action.

Other OSD and individual service comments clarified or updated specific points in the report, and we have made changes in the respective sections. Defense's comments on our April 1980 classified report are in appendix VIII.

We are sending copies of this report to the Secretary of Defense; the Director, Selective Service System; Director, Office of Management and Budget; and other interested parties.

Milton J. Rosen
Acting Comptroller General
of the United States



LIST OF PREVIOUS REPORTS ON THE MANPOWER
EFFECTIVENESS OF THE ALL-VOLUNTEER FORCE

"What Are the Capabilities of the Selective Service System?"
 (FPCD-79-4, Dec. 14, 1978).

This report discussed weaknesses in the system for providing draftees needed during mobilization and suggests alternatives to improve the delivery capability--primarily peacetime registration.

"Weaknesses in the Selective Service System's Emergency Registration Plan"
 (FPCD-79-89, Aug. 29, 1979).

This report highlighted serious shortcomings in the emergency registration plan. These shortcomings raised serious doubts about the System's ability to provide draftees during mobilization. The report again suggests a return to peacetime registration as the least risk to insuring National security.

"Problems in Getting People Into the Active Forces After Mobilization"
 (FPCD-79-40, May 17, 1979).

This report highlighted problems in the Armed Forces Training and Entrance Stations and Training Bases which will act as a barrier to the flow of people needed in the military after mobilization. The report suggests methods to improve delivery, thereby increasing the manpower readiness of the military.

"Can the Individual Reserves Fill Mobilization Needs?"
 (FPCD-79-3, June 28, 1979).

This report highlighted the serious personnel shortage in the individual reserves which are planned to be used by the military, primarily as casualty replacements. It recommends action needed to determine the actual number of people needed and in what time frames in full mobilization.

"Efficiency of Reserve and Guard Training Has Improved Since 1974, But More Can Be Done" (FPCD-79-59, July 30, 1979).

This report pointed out improvements made and also highlights problems in Reserve and Guard training which affect units' readiness and ability to perform missions when called upon. It suggests ways to improve the

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"Active Duty Manpower Problems Must Be Solved" (SECRET)
(C-FPCD-80-1, Nov. 26, 1979).

training, thereby increasing the units' readiness condition.

"Needed--A More Complete Definition of a Quality First Term Enlisted Person"
(FPCD-79-34, Apr. 25, 1979).

This classified secret report highlighted problems concerning manpower shortages, lack of qualified personnel, poor unit readiness conditions, and high turnover rates in the active military forces. It recommended actions to increase manpower readiness of the active duty units.

"Critical Manpower Problems Restrict the Use of National Guard and Reserve Forces"
(FPCD-79-85, July 11, 1979).

This report pointed out the narrowness in the current quality measures used by the military and recommended including performance measures in the predictors, thereby improving the manpower readiness of enlisted personnel.

"Difficulties in Selected Army Reserves Recruiting Under the All-Volunteer Force"
(FPCD-79-1, Aug. 20, 1979).

This report discussed manpower shortages, lack of qualified personnel, poor unit readiness condition, and high turnover rates, which affect the manpower readiness of Guard and Reserve units. It recommended solutions to these problems if the United States is to continue relying on such units under the Total Force policy.

This report highlighted how the shortages in the Selected Reserves affect manpower readiness and discusses problems in the recruiting plans to overcome such shortages. It recommended actions to improve Selected Reserves recruiting and assessed the effect of such actions on the Total Force.

MANNING LEVELS

The number of people in the Total Force (all service components, Active Forces, Guard, and Selected Reserves and IRR) as of September 30, 1980, increased slightly since September 1978--the date of most of the data used in our previous report. The following chart shows the number of military persons in the Total Force for fiscal years 1978-80 and corresponding increases or decreases.

APPENDIX II

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	<u>FY 1978</u>	<u>FY 1980</u>	<u>Increase or Decrease (-)</u>
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-----(000 omitted)-----

Army

Active Force	772	777	5
Selected Reserve	527	573	46
IRR/Inactive National Guard	177	212	35
Retirees	<u>a/413</u>	413	
Standby Reserve	<u>83</u>	<u>19</u>	<u>-64</u>
Total	<u>1,972</u>	<u>1,994</u>	<u>22</u>

Navy

Active Force	530	527	-3
Selected Reserve	83	87	4
IRR/Inactive National Guard	93	97	4
Retirees	<u>a/129</u>	129	
Standby Reserve	<u>37</u>	<u>23</u>	<u>-14</u>
Total	<u>872</u>	<u>863</u>	<u>-9</u>

Air Force

Active Force	570	558	-12
Selected Reserve	146	155	9
IRR/Inactive National Guard	46	47	1
Retirees	<u>a/270</u>	270	
Standby Reserve	<u>43</u>	<u>41</u>	<u>-2</u>
Total	<u>1,075</u>	<u>1,071</u>	<u>-4</u>

Marine Corps

Active Force	191	189	-2
Selected Reserve	33	35	2
IRR/Inactive National Guard	40	57	17
Retirees	<u>a/ 8</u>	8	
Standby Reserve	<u>21</u>	<u>2</u>	<u>-19</u>
Total	<u>293</u>	<u>291</u>	<u>-2</u>
Total	<u>4,212</u>	<u>4,219</u>	<u>7</u>

a/Policy to use retirees as mobilization assets is recent and official data was not available until after FY 1978. Therefore, we included the same numbers in FY 1978 and FY 1980. Data source was Department of Defense Selected Manpower Statistics for Fiscal Year 1980.

The Army has experienced a slight increase in its active duty strength, while the other services have slight decreases. All the services have experienced increases in their Selected Reserves and IRR, with the Army experiencing the largest increases. Conversely, all the services have experienced declines in their Standby Reserve pools.

Some of the factors which have contributed to these increases and decreases follow:

- Establishing a monetary incentive for prior service personnel to enlist or reenlist into the IRR.
- Stopping the automatic transfer of IRR members to the Standby Reserves, which has the net effect of increasing the pool of IRR members while decreasing the pool of standby reservists.
- Extending the 6-year military obligation to (1) women and allowing them to serve in the IRR and (2) recruits over age 25.
- Allowing screened active duty and Reserve separates with an honorable discharge to be placed in the IRR.

Defense officials also informed us that there were other factors which have contributed to the increases or decreases. These included:

- Having 3- and 4-year enlistments in the Selected Reserves with the remaining obligation in the IRR.
- Establishing monetary incentives for enlistment and reenlistment into the Selected Reserves.
- Improving the personnel management of the IRR.
- Having 2-year enlistments in the active force with the remaining obligation spent in the IRR or Selected Reserves.
- Eliminating the time spent in the Delayed Entry Program as being counted toward the 6-year military service obligation.

The Army has improved its manning level, but its needs for manpower are still greater than those of the other services. The Army has a continuing need, upon mobilization, to use people from the pretrained individual pools. Although the Air Force, Navy, and Marine Corps have experienced reductions in the number

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of pretrained individuals collectively, their wartime requirements for these types of people are not as great as the Army's and they are not expected to have serious personnel shortages. In the case of the Army, problems remain. For this reason, we concentrated on the Army's plans for using pretrained individuals during full mobilization.

USE OF PRETRAINED INDIVIDUALS

In a previous report, "Can the Individual Reserves Fill Mobilization Needs?" (FPCD-79-3, June 28, 1979), we concluded that all services had a shortage of pretrained individual reservists to meet full mobilization requirements and that the Army's shortage was significant. We also said that the services consider many subjective factors in determining the requirements for full mobilization and that estimates of casualty rates, the time it will take to report for duty, and the percentage of people who will report for duty, are very subjective. We covered these same points in our classified report, "Overview of the Manpower Effectiveness of the All-Volunteer Force" (C-FPCD-80-3, April 14, 1980).

In our June 1979 report, we recommended that the Secretary of Defense require the services to (1) determine the number and type of pretrained personnel needed in full mobilization and in what time frame and (2) assess casualty rates, expected yield rates, and the requirement for fillers in the Active Forces and Selected Reserves.

Specifically, with regard to pretrained individuals we stated that

- it had not been determined if the required skills of those in the IRR were usable considering the complexities, sophistication, technical nature of the skill, and the individual's ability to perform as required with technological advances;
- provisions for retraining had not been made;
- existing skills, the time it would take to retrain, and the rate at which skills deteriorate had not been assessed;
- the grades and specific skills required versus those that exist in the IRR had not been assessed; and
- specific planning for the use of retirees had not been completed.

In doing our followup review, we noted that the Army is (1) matching the skills required for mobilization with skills of individuals and (2) making premobilization assignments. For example, the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) authorized the preassignment of retirees with health profession and administrative skills to the Armed Forces Examining and Entrance Stations because of

known shortages of personnel with such skills during mobilization. All services, not just the Army, will provide retired personnel to serve in these capacities.

Also, the Army is seeking information from people in its IRR pool regarding their current address, skills, and physical condition and is requiring notification of any changes. On January 2, 1981, as an effort to increase the levels of this pool, the Army began paying \$600 bonuses to former active duty and Selected Reserve soldiers who enlist for 3 or more years in the IRR. Also, as stated in our 1979 report, the type of retraining for these soldiers and the time needed to retrain are not yet known. OSD officials informed us that Defense has no plans to retrain these personnel and are not sure whether such retraining is necessary.

A problem still exists with the use of expected yields for the individual reserves. Defense's initial yield rate of 70 percent for the IRR, developed as part of a Total Force Study in 1975, was based on limited experience of the services in the Korean, Berlin, and Vietnam callups; the estimated yield rate for retirees was based on a December 1977 OSD study on the use of retirees. OSD, in commenting on our previous report in June 1979, said that yield rates have been abandoned and replaced by yield factor goals. But in a hearing before the Senate Appropriations Subcommittee on the Department of Defense in April 1980 on the 1981 Defense Appropriations, the then Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) referred to a yield rate of 90 percent in estimating the availability of manpower from the Army IRR pool.

No specific, systematic calculation or data supports the 90 percent, however. As we said in our June 28, 1979, report we found no basis nor did the Office of the Assistant Secretary of Defense offer any basis to presume that changes of yield rates to goals and arbitrary increases in percentages will dramatically increase the number of available pretrained individuals. For example, information on IRR availability, skills, medical condition, possible reason for deferment, and exemption or delay for callup is still being gathered. In our view, until information is gathered and callups tested, it is premature to expect the postulated yields. In the meantime, it appears more reasonable to base estimates of usable pretrained individuals on those that have been located, a practice currently being pursued in selected Army planning offices.

We changed the report to say yield factor goals because Defense officials believed it was more accurate to use this term instead of yield rate. We did not see a need to argue on terminology; the application of yield rate or yield goal on estimating

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the availability of pretrained manpower appears essentially the same. Therefore, our conclusion concerning the basis for the unsystematic yield goal or rate, whichever is used, remains unchanged.

In the draft, we were of the opinion that it was more reasonable to base estimates of usable pretrained individuals on those that have been preassigned. In responding, Defense pointed out the difficulties in meeting the preassigned criteria, particularly the inability to preassign casualty replacements. We agreed with Defense and its opinion that estimates of yields should be limited to those individuals that are locatable.

CAPACITY TO HANDLE MOBILIZATION INFUX
AT THE ARMED FORCES EXAMINING AND ENTRANCE
STATIONS (AFEES) AND ARMY TRAINING BASE

In a May 17, 1979, report, "Problems In Getting People Into the Active Force After Mobilization" (FPCD-79-40), we said that AFEES lacked plans or guidance from the Military Enlistment Processing Command (MEPCOM) to expand their operations and that there would be a shortage of physicians to handle the mobilization workload.

With regard to the Army Training Base, we said that the Army training centers will receive and start training about 550,000 people, about 450,000 of which will be drafted during the first 180 days of mobilization. We said that the training centers may be hindered in housing and will be unable to train these draftees because the Army does not have

- the number of Active or Reserve training units required,
- the number of Reserve trainers required to fill current Reserve training units,
- Reserve trainers skilled in presenting one-station unit training, or
- knowledge of training equipment availability.

We recommended that the Secretary of Defense insure that the services have adequately planned to expand their operations in the event of mobilization. We further recommended that the Secretary of the Army, as Executive Agent for the Secretary of Defense, insure that MEPCOM has (1) devised ways to minimize the need for additional doctors at AFEES during mobilization, (2) evaluated and approved AFEES mobilization plans on the basis of current OSD determinations, and (3) determined ways to provide additional doctors in the event of mobilization. The Secretary of the Army was to also insure that (1) training centers can expand to provide for current OSD determinations in untrained manpower Reserves, particularly since construction specifications are World War II or Korean War vintage and could require as much as 1 year to update, (2) the Total Force contains the needed number of training companies, (3) Reserve training companies are staffed at the level required in the event of mobilization, and (4) trainers are qualified to perform their assigned mission.

In July 1980 we reevaluated the capabilities of AFEES and the Army Training Base to handle the additional influx of inductees after mobilization ("Actions to Improve Parts of the Military Manpower Mobilization Systems Are Underway," FPCD-80-58, July 22,

1980). Defense had made several improvements since our previous 1979 report:

- OSD established a Mobilization and Deployment Steering Group at the Secretary's level to oversee the Defense mobilization planning process.
- The Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) established a Mobilization and Deployment Planning Directorate to provide support for the steering group and develop and manage a Defense mobilization plan.
- The Army established a Mobilization Planning Group to evaluate and analyze its own capacity to rapidly expand its training base upon mobilization.
- OSD authorized and preassigned retired personnel with health professions (including physicians and administrative personnel) to AFEES to meet full mobilization manpower requirements.
- OSD developed AFEES mobilization guidance.
- The Army identified steps needed to overcome its training base capacity shortfalls.

These actions are definite improvements to the manpower mobilization system. However, as pointed out in our July 22, 1980, report, the Army still has a shortage of trainers, equipment, and training companies needed for mobilization. But it has determined that it can increase the ratio of trainers to equipment on hand and take other measures to provide needed training. According to the Army, however, such actions could degrade the quality of the training given.

In addition, as stated on page 13 of this report, OSD authorized the preassignment to the AFEES of Army, Navy, Air Force, and Marine Corps retirees with health profession and/or administrative skills. This will either eliminate or definitely reduce the physician shortage at AFEES but will cause a shortage at other locations in the Army. The Army had originally planned to use these people at locations other than AFEES.

Also, recent testimony given on February 26, 1981, by the Acting Assistant Secretary of the Army before the Senate Subcommittee on Manpower and Personnel, Committee on Armed Services, indicated that the training base capacity is limited due to the lack of current supplies of equipment, ammunition, and facilities on hand. If correct, the Army's determination in 1981 verifies the continuing existence of the problems highlighted in our previous reports.

SELECTIVE SERVICE SYSTEM

In a series of prior reports, we stated that it was highly questionable whether the Selective Service System could meet Defense manpower needs within required time frames. We cited ill conceived postmobilization registration plans and inadequate staffing and budgets as hindrances to the Selective Service System's capabilities. We recommended that, as a minimum, peacetime registration was needed to increase mobilization response capabilities and improve our Nation's national defense posture.

On February 11, 1980, the President submitted a report to the Congress recommending face-to-face draft registration, and on July 2, 1980, funds were provided for the registration program. Males born in 1960 and 1961 began registering last July and those born in 1962 registered this past January. A continuous registration program is now underway, requiring all males to register within 30 days of their 18th birthday.

Various people questioned the completeness and accuracy of the registration conducted last July and August. We evaluated the Selective Service System's efforts to conduct this program ("Evaluation of the Recent Draft Registration," FPCD-81-30, Dec. 19, 1980) and endorsed its procedures. We concluded that the Selective Service System made significant progress in designing an effective registration program.

The Selective Service System, now having registration, is in a better position to secure needed manpower for the military in the event of a mobilization. In November 1980, Defense increased its requirements for manpower to 100,000 people by M+29 1/ days. Previously, this requirement was 100,000 by M+60 days. The Selective Service System recently participated in a Defense-wide mobilization exercise. According to Selective Service System officials, the exercise shows that, with registration, they can meet the new Defense manpower requirement. This has not been verified, however.

The Selective Service System still has more improvements to make. For example, it has not yet established procedures for handling appeals or creating appeal boards, nor the training necessary to carry out these procedures. It plans to resolve these problems in the near future. We will address these issues in another review scheduled later this year.

1/Mobilization plus the number of days after mobilization.

NEW PROCEDURE FOR COMPUTINGMANPOWER REQUIREMENTS

Before 1976 Defense had no standard procedure for computing, presenting, or justifying wartime manpower requirements. Each military service calculated its own manpower requirements, without a common set of assumptions, policies, definitions, or format. In 1976 Defense devised an experimental method for computing and displaying aggregated wartime manpower requirements. In 1978 the General Research Corporation fully developed the method called Wartime Manpower Program System (WARMAPS). The system was initiated in November 1978 and was used internally in the June 1979 program revision. In August 1980 the framework for WARMAPS was introduced in DOD Directive 1100.18 and implemented in DOD Instruction 1100.19, September 1980. The instruction requires a standardized method for computing and portraying projected wartime military manpower requirements, demand, and supply.

The services must submit WARMAPS data to OSD in May 1981. Under the DOD Instruction, the services are to submit both manpower requirements data and manpower demand data. Manpower requirements data is essentially based on the unconstrained availability of equipment, munitions, spares, and lift capacity. Lift capacity is the amount of people, arms, supplies, and equipment that can be delivered to the war zone in a given time. Conversely, manpower demand data is constrained by the current supply and projected inventory of equipment, munitions, spares and lift capacity.

The data for these two categories could be the same. For example, the Defense wartime force structures are authorized persons, equipment, spares, and munitions, depending on their missions. If a particular force structure has all of its wartime authorizations, the manpower demand and requirements calculations would be the same. Conversely, if the force structure is short of equipment, spares, or munitions, the manpower demand data would be less than the manpower requirements data. If, in analyzing manpower needs, demand data is used as the base, any shortage will be less than that obtained using requirements data as the base.

To prevent the Congress from misinterpreting manpower needs, Defense must define requirements and demand data and explain the limitations of each. If the data used is not defined, the state of equipment, munitions, and spares could also be misinterpreted. Consequently, when Defense submits data to congressional committees, the committee should be aware of the category of manpower data Defense is using and the context in which it is being presented.

EXAMPLES OF RECENT TESTIMONY

Readiness ratings are measures of personnel, including experience, the state of training, the availability and operability of weapons and equipment, and the state of supply and maintenance. Recent testimony disclosed information concerning the readiness of military forces. For example, the Deputy Chief of Naval Operations for Manpower, Personnel and Training, stated the following in a March 3, 1981, testimony before the Senate Subcommittee on Manpower and Personnel:

"Our number one readiness shortcoming continues to be the shortage of skilled personnel. In its most basic form, the essence of this shortfall is the impact it has on the capability of our Navy ships and aircraft to fight and win in a combat environment. Whether for lack of adequate numbers, specific skills, or experience, when a commander is deprived of the manpower resource required, he enters combat at a severe disadvantage."

"We have observed some adverse trends in our force readiness over the past decade. In the years immediately following Vietnam, eroded material condition accounted for the bulk of readiness degradations. Today, however, readiness degradations attributable to personnel shortfalls have become the most serious concern."

Readiness in the reserve force is also a major concern. For example, the Deputy Chief of Staff for Reserve Affairs, U.S. Marine Corps, said in testimony before the Senate Subcommittee on Military Personnel and Compensation that as of the end of fiscal year 1980, more than half of the Selected Marine Corps Reserve units were reporting major degradations in readiness primarily due to personnel shortages. He also said that the picture was beginning to improve because at the end of the first quarter fiscal year 1981, there was a 4-percent increase in the readiness status of the reporting units. He also testified that skill shortages remain a problem and over one third of the units are reporting degraded readiness for this reason.

Retention of more experienced, qualified personnel is important to readiness. However, in hearings before the House Appropriations Committee, Subcommittee on Defense, regarding the 1981 Department of Defense Appropriations, the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) said:

"The trend in the retention of our more experienced service members, however, causes serious concern and may well have a greater impact on the readiness of our military forces than any recruiting shortfall.

* * * The drain of experienced people hurts our ability to man and train an effective force."

Overall military readiness problems were also highlighted by the Office of the Secretary of Defense and Army officials in February 1981, testimony before the Senate Armed Services Subcommittee on Manpower and Personnel. For example, the Acting Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics stated that, "Readiness in the Guard and Reserve units is improving, but there are still problem areas that preclude some Reserve Force units from attaining desired readiness objectives. A major impediment to Army Guard and Reserve Force readiness has been the personnel shortage."

Regarding the Army's mobilization requirements and supply of trained manpower (Total Force), the Acting Assistant Secretary of Defense said:

"While we have by no means solved the Army pre-trained manpower problem, the trend of declining shortfalls is encouraging. * * * The aggregate shortfall is primarily in combat skills. We hope that the Army's IRR reenlistment bonus and other initiatives under review will continue the downward trend."

The problems regarding a lack of qualified personnel are indicated in a February 26, 1981, statement made by the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs) before Senate Subcommittee on Manpower and Personnel, Committee on Armed Services:

"There is a shortage of 3,096 physicians against 4,623 physicians requirement in USAR Troop Program Units and the National Guard. When this figure is reduced by those physicians expected to report from the Individual Ready Reserve and the Standby Reserve, the adjusted physician shortage is 2,164."

* * * A major concern to the Army and the Congress is our inability to meet the military and civilian manpower requirements which would be required upon mobilization. Although our ability to support military manpower mobilization requirements has improved over the last year, several key factors still affect our ability to support manpower needs, as evidenced by the PROUD SPIRIT/MOBEX 80 mobilization exercise. Significant manpower shortages exist in several forms: shortage of immediate trained replacement for combat losses, shortage of personnel in existing Reserve Component units, and substantial shortage of units to meet identified requirements.

The result is the current Reserve manpower pool cannot sustain mobilization requirements until manpower can be supplied by a post mobilization draft, trained by a CONUS base, and shipped to a theater of operations.

* * * At mobilization plus 90 days and fighting a NATO only war, the Army trained military manpower shortfall computed for end FY 1980 was 249,000."

The Deputy Chief of Staff for Personnel, U.S. Army, testified on February 26, 1981, before the above Senate Subcommittee:

"Last year's most pressing problem, the shortage of pretrained military manpower to meet mobilization requirements to fill and sustain the wartime Army, has not been solved. The Army continues to have critical shortages of personnel in the Army National Guard, the U.S. Army Reserve, and the Individual Ready Reserve, (IRR).* * * Even with recent improvement in Reserve Component unit recruiting and retention, with management actions and other initiatives to increase the strength of the IRR, and with a system to recall large numbers of retired personnel in an emergency, the shortfall will not be eliminated during the next 5 years. This problem must receive particular emphasis because its resolution is vital to the Army's ability to reinforce and sustain our forces in the event of conflict."

In a joint statement by the Secretary of the Army and the Army Chief of Staff before various committees and subcommittees of the House and Senate regarding the Army Posture and Budget estimates for fiscal year 1981 the following was said:

"We are proud of these important accomplishments-- achieved largely through internal management actions. However, there are areas of concern. We are short critical support units in the Active Force needed at the onset of hostilities in the NATO area and to support other world-wide contingency operations. Today, nearly 80 percent of the Army's total logistics support capability is found in our Reserve Components-- and many of those units are short people and/or equipment. This force structure imbalance is significant when viewed in the context of Soviet actions world-wide. Army forces must be able to counter Soviet military intervention wherever in the world such intervention threatens our national interests. While Army forces reinforcing NATO count heavily on host nation support, forces deployed elsewhere must be logically self-reliant. Both missions require a nucleus of tactical support units and a logistics network extending forward from the United States.

Since there is little dedicated support structure outside the NATO area, support units of appropriate size and composition must accompany Army forces deploying elsewhere. But even within NATO our support structure is deficient in such critical areas as ammunition, maintenance, transportation, fuel, and medical service units."

"In order to man the force the Army must attract and retain adequate numbers of qualified men and women in the Active and Reserve Components and the civilian work force. To attract and retain good people we need programs which show our concern for them. While the Army has proven a viable undertaking for more than one million young men and women volunteers since the draft ended June 30, 1973, manning the force is our most significant near-term challenge. Recruiting has become increasingly difficult and, despite exceeding our reenlistment goals during each of the past 2 years, overall Army strength is declining. The fiscal year 1979 recruiting shortfall of approximately 15,000 is the largest we have experienced. The fiscal year 1981 budget requests programs which, with your support, will help reverse these recent adverse trends. Fundamental to the long-term future of our volunteer force, however, is the need to continue and expand a national spirit within which Army service is viewed as a meaningful and productive endeavor."

"Mobilization manpower constraints are also significant. We have previously described the actions we are taking to improve the posture of the Individual Ready Reserve. However, the current deep-standby status of the Selective Service System leaves unanswered questions about our ability to expand rapidly the Army force structure and to train battlefield replacements in a wartime emergency. We support efforts to make the standby status more responsive through improved computer support and increased staffing."



MANPOWER
RESERVE AFFAIRS
AND LOGISTICS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON D C 20301

19 FEB 1980

Mr. H. L. Krieger
Director, Federal Personnel
and Compensation Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Krieger:

This is in response to your letter of December 20, 1979, to the Secretary of Defense forwarding copies of your draft report, "Overview of the Manpower Effectiveness of the All-Volunteer Force" (OSD Case 5239A, Code 965016). Having reviewed that report, the Department has the following comments on the report's recommendations and findings.

Review of Total Force Policy

The principal recommendation of the report is to reexamine the Total Force policy and the staffing of the force with all volunteers. As a matter of course, the Total Force policy is continually undergoing review within the Department. As of the end of FY79, the status of military manpower can be summarized as follows:

- o The active force has generally been meeting its manpower objectives, although Army recruiting and Navy career retention in FY 1979 fell below our goals. On balance at the end of FY 1979 we concluded that the volunteer force has worked for the active force. Of course, the crucial question that remains is, 'Will it continue to work?'
- o While the Navy, Marine Corps, and Air Guard and Reserve component have been able to meet Congressional authorized strengths the Army National Guard and Army Reserve have not. A number of programs have been adopted to increase both the strength and readiness of Army reserve components. These programs have already proven successful as indicated by the FY79 increase in Selected Reserve strength - 19,400 - the first such increase since FY74.
- o The pool of trained individuals with a military obligation able to meet mobilization manpower needs has shrunk since the end of the Vietnam conflict. Current levels of the IRR and other pools such as military retirees are probably not sufficient to meet all requirements for individual replacements in a major war. A number of programs are being

implemented that will increase the manpower in this important area. We are pleased to note that in FY 1979 in large measure as a result of these programs IRR strength rose by 39,400.

We see two major problems that cloud the future of the AVF in the 1980s. First, the pool of prime enlisted age youth will decline from a peak at the beginning of the 1980s to a trough in the early 1990s. Population growth favorable to the AVF can no longer be used to sustain it. The Department's strategy for dealing with this decline is to pursue policies that reduce personnel turnover and expand the number of eligible for military service. Increasing reenlistments and reducing recruit attrition are two such policies actively being pursued. The use of more women will also increase supply.

Second, recruiting for the AVF--measured by enlistments as a proportion of male high school diploma graduates--has declined significantly in the past four years. There are several factors underlying the recent recruiting dip. Some are economic: youth unemployment rates have declined, military pay for recruits has fallen relative to civilian alternatives, and the elimination of the G.I. Bill in 1977 reduced the incentive to enlist. The solutions to this problem will require increased resources if the military strengths currently targeted are to be met.

To sum up, the Total Force policy, supported by volunteers, is not without problems; the Department continues to seek solutions to these problems. The Department has examined many alternatives to the present policy in the past and will continue to do so in the future. In addition to alternative manpower policies--for example a return to the draft--we believe the GAO should include a discussion of Department's present policy of systematic improvement of the active and Reserve forces and the favorable results achieved to date. At the present time, solutions to the problems plaguing our military manpower policy are being developed with a series of new initiatives, the most important of which are detailed below:

Active Duty Force Recruiting and Retention

To counter the recent recruiting shortfall, the Department has initiated several actions. Improvements in the support for recruiters and their families have begun. Legislation to raise the maximum enlistment bonus from \$3,000 to \$5,000 will be requested shortly. This increase will offset the inflation-related erosion of the bonus and make entry level military pay for selected skills competitive with minimum wage earnings for 18-year old workers. To ensure high quality enlistments, we are testing shorter terms of enlistment (two years) with increased educational benefits (VEAP "kickers"). And, finally the FY 1980 advertising resources have been increased to improve the chances for these new initiatives to succeed.

First-term reenlistment rates are satisfactory but second term rates have declined since the mid-1970s. The drop has been particularly severe in the Navy seagoing skills. Our approach to solving career retention has focused on increased reenlistment bonuses as a financial incentive. The FY80 budget provides a 30% increase in second term bonuses, and the FY81 budget request contains an additional \$69 million for reenlistment bonuses at the second term point. Within the next 45 days the Department will submit legislation to increase the maximum re-up bonus--again to offset the impact of inflation--and to extend bonus eligibility from ten to fourteen years of service.

Guard and Reserve Readiness

The overview report correctly highlights the problems of readiness in the Guard and Reserve Forces. The earlier Department response (Sep 24, 1979) to the GAO report entitled "Critical Manpower Problems Restrict the Use of National Guard and Reserve Forces" spelled out the various steps that would be taken to overcome these problems. It detailed the systematic management attention to be provided by the Services and OSD. The Office of the Deputy Assistant Secretary of Defense for Reserve Affairs was charged with the effort to oversee that the improvements were being accomplished. That office developed a program called "Guard and Reserve Readiness" which included several research projects to determine the actual condition of the units and to develop methods of increasing their readiness, where needed. The projects that were listed in that OSD response have all been implemented and at least partial results are expected early in FY 1980. A special task force was formed to analyze the causes of unprogrammed losses and to determine ways to control it.

In addition, the theme of the Joint Reserve Conference on Recruiting and Retention to be held in April 1980 is "Halting Unprogrammed Losses." The task force on Training and Training Management has begun its work and a report is expected in September 1980. The weaknesses in the area of mobilization planning have been addressed with a special office being established to deal with that subject. Plans include a complete rewrite of the mobilization directive.

Mobilization

Subsequent to the GAO's report in August 1979 on the Selective Service Systems' Emergency Registration Plan, the President appointed a new Director of the Selective Service System. In addition, in the Defense Authorization Bill for FY 1980, Congress required the President to submit a plan for Selective Service Reform, including registration. The administration submitted that plan to the Congress in early February 1980. The Department of Defense participated actively in the development of the plan.

In this regard, the Deputy Secretary of Defense and the Director of Selective Service have established a joint Department of Defense/Selective Service Mobilization Manpower Steering Group. This group is co-chaired by the Assistant Secretary of Defense (MRA&L) and the Director of the Selective Service. Each Military Department is represented by its Assistant Secretary (Manpower) and Deputy Chief of Staff for Personnel. The Steering Group has established a task force that is currently developing plans for DoD support of the Selective Service System at mobilization.

In a separate, but related activity, the Army is in the process of completing a major review of its capacity to receive and train individuals rapidly at mobilization. This review is addressing the impact of supply and equipment availability, facilities and training unit staffing on the Army's plans for training at mobilization. We expect to have the results of the Army's review this spring and will address this issue in the next program review.

Suggested Alternatives

The Department has already evaluated most of the alternatives prescribed in the Overview conclusions and recommendations (Chapter 6). In America's Volunteers, (Dec, 1978), a report prepared at the request of the Senate Armed Services Committee, fourteen alternatives for meeting military manpower requirements were evaluated and compared. Three of these are mentioned in the Overview report; return to an active force draft, a draft for Guard and Reserve and/or IRR and some type of national service program for all eligible youth. The Department's study of these alternatives determined that:

- The return to an active duty draft is not needed to man our active forces at this time.
- A selected reserve draft and IRR draft both involve practical difficulties. A selected reserve draft would be a "home-town" draft to fill deficiencies in selected reserve units. An IRR draft would require that large numbers of people with as little as twelve weeks of training be available for combat duty within 30 days of mobilization. The cost of IRR draft alone is estimated to exceed \$500 million annually. In our view, voluntary programs can achieve bigger gains at less cost.
- National service programs may have merit but the costs of such programs (between 2 and 20 billion dollars) cannot be justified in terms of national defense needs alone. In fact some versions of such plans could actually impede the work of the DoD. The leadership for investigating such schemes should come from outside DoD. The two remaining alternatives mentioned in the Overview summary are to staff the active forces to meet wartime

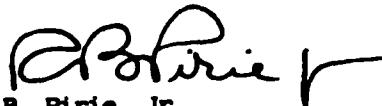
APPENDIX VIII

APPENDIX VIII

requirements or reduce United States military commitments abroad. The first implies that there should be an increase of over half a million more people on active duty; pay alone for this increase would amount to \$5 billion. Such increases are neither affordable or necessary. The second alternative--reducing military commitments abroad--also seems ill advised at this time.

Comments on specific sections and passages of the report are attached.

Sincerely,


Robert B. Pirie, Jr.
Assistant Secretary of Defense (MRA&L)

Attachment

(961130)